

BUDGET, FINANCE & INVESTMENT COMMITTEE

December 9, 2010

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Bill Boner
Lisa Nolen
Robert Arnold
Lisa Crowell
Sonya Stephenson
Joe Russell

Others Present:

Tracy Hill
Melissa Stinson
Harry Gill
Jeff Sandvig
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the November 4, 2010 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Finance Director Lisa Nolen presented the monthly Investment Report for the information and review by the committee advising that there had been no investment transactions during the month. The LGIP interest rate was .23%.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

The Finance Director presented the monthly Fund Condition Report advising that the Development Tax collections for the month totaled \$43,500 bringing the year-to-date collections to \$394,500. This compared to November of last year when the Development Tax collections were \$65,250 and the year-to-date collections were \$466,500.

The Finance Director reviewed the fund cash balances, which totaled \$113,102,571.66 with operating funds being \$109,718,687, and borrowed funds being \$3,383,884. This compared to the same period last year when the total cash balances were \$133,207,810.84 with operating funds being \$96,908,760 and borrowed funds being \$36,299,050.

The Finance Director next reviewed the revenue collections noting fines, forfeitures and penalties were behind, but that those revenues were not a big impact to the budget.

The Finance Director also reviewed the revenue collections in the Solid Waste/Sanitation Fund, Highway Fund, General Purpose School Fund, Drug Control Fund, and the General Debt Service Fund.

The Finance Director also reported that the November Sales Tax collections were up by 3.34% compared to November of last year. For the Fiscal Year (July through November), the Sales Tax collections were up by 5.42%. She advised that the good news was that for the Fiscal Year, sales tax was budgeted flat for the School Board.

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

Chairman Ealy stated that all commissioners had received the press release regarding the County's audit, and she asked the Finance Director to address some of the findings.

The Finance Director advised that the Comptroller's Office reported a finding against the Sheriff and the Mayor for an employee who falsified insurance claims. There was a finding on the County Mayor's Office relating to ARRA Grants, whereby reports were not filed even though no revenue had been received. The Finance Director advised that even though no revenue had been received, the reports should still be filed. She advised that this was corrected when the monitors were on site. There was a finding regarding unique responses in one of Pam Fone's programs. The Ambulance Service and the Director of Finance had similar findings regarding not issuing pre-numbered receipts. She explained that when the Finance Department began using laser receipts, they were blank sheets of paper and the computer generated the receipt number. When the software was audited, it was found that the receipt number could be changed. The Finance Director advised that since she does not utilize the receipting function, she pre-numbered the receipts. Additionally, the software vendor has now corrected the program so that the receipt number cannot be changed. The Ambulance Service had the finding last year and thought it was corrected. In their situation, the software would generate a receipt number even if the receipt was a zero amount. The Information Technology Department has developed a receipting program for the Building Codes Department and Planning, which issues pre-numbered receipts and does not allow an individual to change it. In the General Sessions Court, a shortage of \$745 was discovered after an employee had left employment. This issue has been turned over to the Comptroller's Office for further investigation. Circuit Court has received the same finding as last year in that the duties were not adequately segregated in the Juvenile Court Clerk. A supervisor would work the counter when the other employees went to lunch, and since the person also made the deposits, this was a conflict. This issue has been fixed, but the individual also writes checks, and his ability to write checks is also a conflict. There was a finding for the Sheriff's Department for deficiencies in the operation of the commissary. When the auditor reconciled how much was outstanding to how much cash was in the account, there was an \$89,000 shortage. She explained that was created by a couple of issues. The commissary has a separate checking account. She stated that in prior years, the fees for the checking account were never replenished into the account. She stated that the inmates coming into the facility should not be covering the bank charges. The biggest issue was that when the bookkeeper was reconciling they would give a percentage of the sales to the county, but they did not deduct from that check the amount of inmate indigent packages, which created a shortage in the account. Therefore, over years of time, it created a shortage. The Comptroller's recommendation is that the \$89,000 shortage be restored with county funds going into the commissary checking account to replenish it and make it whole. In talking to the Sheriff's Department instead of doing that, they are withholding funds until the account is replenished.

The Finance Director advised that the Comptroller's Office also had two recommendations. One recommendation was centralized purchasing, which has been a finding for many years. A new recommendation was an Audit Committee. She stated that it was her opinion that the Budget Committee also served as the audit committee, because they were informed of any audit findings every year. She stated that the Comptroller's Office has recommended that the Audit Committee could be made up of some commissioners, some school board members and some members of the public.

Mayor Burgess stated that he did not believe the County was in a position to start a Centralized Purchasing Department. He stated that the School Board has offered to allow the county to piggy-back off of their centralized purchasing process, but there have only been preliminary discussions with them.

Comm. Shafer asked if the four largest counties had centralized purchasing. He stated he would actually like to know about the top 10 largest counties.

INSURANCE REPORT:

Mrs. Melissa Stinson presented the monthly Insurance Report advising that the current employee cost per month for medical, dental and vision was \$831.62 compared to the same period last year, when the cost was \$902.37. The average cost for the year per member was \$673.31 compared to \$686.70 for the prior year. When the plan performance was combined with the CareHere results, the total employee cost per month was \$859.07 compared to \$934.55 for prior year. Through November, the year-to-date averages for the entire plan was \$696.65 per employee compared to the year end average of \$718.92 for the prior year. Based on the experience thus far in the year, the plan is trending at -3.1%.

Regarding the Work Injury Performance, the total claims cost through November was \$250,444 compared to \$419,047 for the prior year. This represents 60% of last year's costs.

Mrs. Stinson advised that currently there were 23 open worker's compensation claims. She advised that three of those had been settled this week. One is a denied claim that they are expecting to see reopened. Three claims are active lawsuits. Four claims involve treatment in a rehab situation. Ten are medical ongoing claims. She advised that there were two benefit review dates they were waiting for whereby there could be a potential settlement of two additional claims.

Following review, Comm. Jordan moved, seconded by Comm. Jernigan to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

Mrs. Stinson gave a brief summary report of the open enrollment results.

NARCOTIC MANAGEMENT PROGRAM:

Mrs. Stinson advised that she and the Finance Director had met with CIGNA on November 10 and reviewed the utilization reports for the year. She explained that one thing that resulted from the meeting that she believed was important to bring forward was a Narcotic Management Program. She stated that the program would also compliment some of the random drug testing that the county was currently performing. She advised that the Narcotic Management Program would identify utilization of prescription drugs that might not be appropriate and that were narcotics. She advised that in general narcotic drug use accounted for 25% to 30% of all drug use in the United States. Based on the third quarter of pharmacy utilization, there were about 40 individuals who currently met the guidelines for the narcotic management program. The cost of the program would be less than \$7,000, and the potential savings would be \$88,000 annually.

She stated that she recognized that it could feel somewhat intrusive to an individual, but she stated that she was not only concerned about the employee's welfare, but that these were active at work individuals. She stated that individuals in an altered state who were operating vehicles and equipment in various county locations were more likely to be involved in or create an accident that could ultimately affect the OJI results.

Mrs. Stinson advised that the annual cost of narcotic abusers was \$7,783 compared to \$2,668 for nonabusers.

Mrs. Stinson requested approval of the Narcotic Management Program. She advised that the Insurance Committee approved the program earlier in the day. She advised that, if approved, the program would be implemented January 1.

Mrs. Stinson advised that the implementation of the program would involve CIGNA developing a patient profile looking at claims and pharmacy experience. Trained individuals would then do an outreach program.

Mrs. Stinson advised that at the Insurance Committee, it was asked if the county should allow the narcotic management program for one year and then review it to see if it had produced the

expected results. She stated that the way the contracts with CIGNA were written, anything above the ASO could be reviewed annually.

Comm. Jordan stated that the cost of the program would be pennies on the dollar compared to the potential cost of an employee who was under the influence while driving a county vehicle and had an accident.

Mrs. Stinson advised that the breakdown of the cost of the program was eleven cents per member per month.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Narcotics Management Program with CIGNA at a cost of eleven cents per member per month to be paid from the Employee Insurance Fund effective January 1, 2011 with the program to be reviewed after one year. The motion passed unanimously by roll call vote.

DEPENDENT AUDIT:

Mrs. Stinson next gave a brief report regarding the dependent audit through Secovia. She advised that the audit was completed on November 3. She advised that the audit focused on all dependents on the plan up to June 1. She stated that they were currently reviewing dependents added to the plan since June 1. She advised that the cost of the audit including postage was \$106,304. She advised that 6,116 dependents were audited, and of that number 5,760 dependents were verified. 356 dependents were determined to be ineligible. The estimated cost savings for the first year for the 356 dependents was \$646,134. Of the 356 dependents removed from the plan, 160 were removed involuntarily due to not completing the requirements or not responding to the request. The remaining balance notified Secovia that they had a dependent who should not have been covered by the plan. She stated that because the number of people who notified them that they had dependents who should not have been on the plan was higher than those who were removed involuntarily, that told them that the communication that was used was effective. She stated that children dependents constituted 58.22% of all dependents that were audited. Of the 356 dependents removed from the plan, children represented 77.69% or 273 children, and spouses represented 23.31% or 83 spouses.

Mrs. Stinson explained that because of Health Care Reform, as of July 1 children who are age 19 and are not fulltime students and who meet certain criteria may be allowed to come back on the plan. She stated under a worse case scenario, if all 160 individuals were allowed back on the plan, it would reduce the county's cost savings from the audit to \$413,000, which was still a significant amount of money.

HIGHWAY FUND BUDGET AMENDMENT:

Chairman Ealy advised that the Highway Commission and the Public Works Committee had forwarded the following budget amendment to provide funding due the unfunded Federal Mandated Uniform Sign Laws:

From: 131-68000-714 – Capital Outlay/Highway Equipment -	\$50,000
To: 131-62000-443 – Highway & Bridge Maintenance/Road Signs -	\$50,000

Comm. Jernigan advised the committee that due to the new law all road signs and stop signs had to be changed. He stated that every county in the United States had to comply with the law. He stated that the Highway Department had the machine to make the signs.

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment for the Highway Department with \$50,000 from Account 131-68000-714, Capital Outlay/Highway Equipment, to Account 131-62000-443, Highway & Bridge Maintenance/Road Signs.

The motion passed by roll call vote with Commissioners Baum, Jernigan, Jordan, Peay, Sandlin, & Ealy voting "yes"; and Commissioner Shafer voting "no".

RECOMMENDATION AUTHORIZING THE INSTALLATION OF A TURN SIGNAL AT THE INTERSECTION OF HIGHWAY 231 AND JEFFERSON PIKE:

The Public Works Committee forwarded a recommendation to approve the installation of a traffic light with a left turn signal at the intersection of Highway 231 and Jefferson Pike at a cost of \$1,922.82.

Chairman Ealy advised that it might not be necessary for the Budget Committee to take action, because the 2010-11 budget contains \$10,000 in Account 101-54130-336, Traffic Control/Maintenance and Repair of Equipment.

Comm. Jernigan explained that when the traffic signal was installed, lines were painted on the road in all four sections, but turn signals were only installed on two sides. He stated that the additional two turn signals needed to be installed.

Comm. Jordan moved, seconded by Comm. Peay to approve the recommendation from the Public Works Committee authorizing the installation of turn signals to the traffic light at the intersection of Highway 231 and Jefferson Pike at a cost of \$1,922.82.

Finance Director Lisa Nolen stated that she did not believe that this item would have to have approval of the County Commission since the budget already contained funding for maintenance of the traffic signals.

Mayor Burgess stated that all that needed to be done would be to issue a purchase order.

Following discussion, the motion to approve the recommendation from the Public Works Committee authorizing the installation of turn signals to the traffic light at the intersection of Highway 231 and Jefferson Pike at a cost of \$1,922.82 passed unanimously by roll call vote.

REQUEST FROM PROPERTY ASSESSOR TO UPGRADE A POSITION:

Mr. Bill Boner, Assessor of Property, was present to request approval to upgrade Position 1254 from a pay grade 3, step 2, Data Processing Analyst, to a pay grade 5, step 1, Mapper.

Chairman Ealy advised that while this action would not cause an increase to the 2010-11 budget because Position 1254 has not been filled this year, it will cause an automatic increase of \$6,557 to the payroll budget for 2011-12.

Mayor Burgess advised that Mr. Boner had been using a part time employee, who would be going to full time. The individual was an extraordinary and gifted employee who would be able to utilize the GIS planning tools that would generate substantial revenue for the county.

Comm. Peay asked how this would generate more revenue.

Mayor Burgess explained that it would allow Mr. Boner to be more efficient and effective in his appraisal process. Mayor Burgess also advised that Mr. Boner had been very frugal in not filling vacant positions, as he currently had two vacant positions that had not been filled.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the request from the Assessor of Property to upgrade Position 1254 from a pay grade 3, step 2, Data Processing Analyst, to a pay grade 5, step 1, Mapper. The motion passed by roll call vote with Commissioner Shafer voting "abstain"; and Commissioner Jernigan being absent at that time.

GENERAL FUND BUDGET AMENDMENTS**PET ADOPTION AND WELFARE SERVICES:**

Ms. Tracy Hill, PAWS Director, requested approval of the following budget amendment to provide additional funding for the Custodial Supplies and Other Supplies & Materials utilizing contributions that have been received during the current Fiscal Year for the PAWS Department:

Increase Revenue:	101-44570 – Contributions/Gifts -	\$5,000
Increase Expend.:	101-55120-410 – Custodial Supplies -	\$2,000
	101-55120-499 – Other Supplies/Materials -	3,000

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment as requested by the PAWS Director increasing Revenue Account 101-44570, Contributions & Gifts, by \$5,000 with \$2,000 to Account 101-55120-410, Custodial Supplies, and \$3,000 to Account 101-55120-499, Other Supplies & Materials. The motion passed by roll call vote with Comm. Jernigan being absent at that time.

COUNTY CLERK/SHERIFF'S DEPARTMENT AGREEMENT TO TRANSFER POSITION AND RELATED BUDGET AMENDMENTS:

Mrs. Lisa Crowell, County Clerk, Sheriff Robert Arnold, Mrs. Sonya Stephenson, Human Resource Director, and Mr. Joe Russell, Chief Deputy, Sheriff's Department were present to answer questions regarding the transfer of the Wheel Tax/Litter Collection Officer from the County Clerk's Office to the Sheriff's Department, and the transfer of a patrol officer position to the Human Resource Department.

Chairman Ealy advised that it was being proposed that Position 2050, Wheel Tax/Litter Officer, at a pay grade 7, step 10 be transferred from the County Clerk's Office to the Sheriff's Department. Therefore, the Sheriff's Department would be gaining that position. In turn, the Sheriff's Department would be giving up a Patrol Officer position at a pay grade 5, step 3, with this position being transferred to the Human Resource Department. The new Human Resource Department position would become a Human Resources Coordinator.

Mrs. Lisa Crowell, County Clerk, requested approval of the following budget amendment reducing the payroll budget for the County Clerk's Office, transferring the remaining salary and benefits for the Fiscal Year for the Wheel Tax Officer position:

Decrease Expend.:	101-52500-106 – Deputies -	\$28,597
	101-52500-201 – Social Security -	1,774
	101-52500-204 – State Retirement -	3,615
	101-52500-205 – Employee Insurance -	4,428
	101-52500-209 – Disability Insurance -	63
	101-52500-212 – Employer Medicare -	415
To Unassigned Fund Balance:	101-39000 -	\$38,892

Comm. Jordan stated that it was his understanding that the current Wheel Tax Officer was going to retire on or before May 1, he asked what was going to happen after Mr. Smith retired.

Sheriff Arnold advised that he would then move some else into that position. He explained when the Wheel Tax Officer position was transferred to the Sheriff's Department, he would be used to train other officers to do his job. He stated that eventually, he would like to have a training division. He stated that the Wheel Tax Officer would also be used to train officers for other events.

An Agreement to transfer the position of Wheel Tax/Litter Collection Officer from the County Clerk's Office to the Sheriff's Department was also presented.

Following discussion, Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendment for the County Clerk's Office as requested reducing the payroll for the remaining salary and benefits for the Fiscal Year for the Wheel Tax Officer decreasing Expenditure Accounts 101-52500-106, Deputies, by \$28,597, 101-52500-201, Social Security, by \$1,774, 101-52500-204, State Retirement by \$3,615, 101-52500-205, Employee Insurance, by \$4,428, 101-52500-209, Disability Insurance, by \$63, 101-52500-212, Employer Medicare by \$415, and increasing Account 101-39000, Unassigned Fund Balance, by \$38,892. Additionally, to authorize the County Mayor and all necessary officials to execute the Agreement to Transfer the Wheel Tax/Litter Collection Officer position to the Sheriff's Department. The motion passed unanimously by roll call vote with Comm. Jernigan being absent at that time.

Comm. Shafer asked if when the pay grade 7, step 10 transferred to the Sheriff's Department, would it then become a pay grade 5, step 3.

Mrs. Stephenson advised that Mr. Smith had been with the county a long time, and therefore he had topped out on his salary. His current pay grade is a 7, step 10. She explained if someone who was already an employee of the Sheriff's Department applied for the position, they would receive up to but not more than a 10% increase. If someone was already a sergeant and was laterally moving into the position, their pay would stay the same. If a higher ranking officer moved into the position, it would be based upon where they were on their salary range. She stated that if someone new off the street, such as from the Murfreesboro Police Department, went into the position, the maximum step they could receive would be a three. She stated if it was another employee within the county, the step would be based upon their current experience. She stated there were a lot of factors that would be looked at in deciding the step. She stated that the salary could not be more than where a pay grade 7 topped out.

SHERIFF'S DEPARTMENT/HUMAN RESOURCE DEPARTMENT:

Sheriff Arnold requested approval of the following budget amendment providing funding to replace a patrol officer at a pay grade 5, step 3 with the Wheel Tax/Litter Collection Sergeant at a pay grade 7, step 10:

From: 101-39000 – Unassigned Fund Balance -	\$12,921
To: 101-54110-189 – Other Salaries/Wages -	\$10,724
101-54110-201 – Social Security -	664
101-54110-204 – State Retirement -	1,355
101-54110-209 – Disability Insurance -	23
101-54110-212 – Employer Medicare -	155

The Finance Director advised that the amendment provided funding for the net affect between a pay grade 5, step 3 and a pay grade 7, step 10.

An Agreement to transfer a Patrol Officer position at a pay grade 5, step 3 from the Sheriff's Department to the Human Resource Department was presented. The title of Patrol Officer position will change to Human Resources Coordinator.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment for the Sheriff's Department as requested with \$12,921 from Account 101-39000, Unassigned Fund Balance, and \$10,724 to Account 101-54110-189, Other Salaries/Wages, \$664 to Account 101-54110-201, Social Security, \$1,355 to Account 101-54110-204, State Retirement, \$23 to Account 101-54110-209, Disability Insurance, \$155 to Account 101-54110-212, Employer Medicare. Additionally, to approve the Agreement to transfer a Patrol Officer position at a pay grade 5, step 3 from the Sheriff's Department to the Human Resource Department with the title changing to Human Resources Coordinator. The motion passed unanimously by roll call vote with Comm. Jernigan being absent at that time.

The Human Resources Director requested approval of the following budget amendment to provide funding for a Human Resources Coordinator at a pay grade 5, step 3:

From: 101-39000 – Unassigned Fund Balance -	\$25,971
To: 101-51310-189 – Other Salaries/Wages -	\$17,873
101-51310-201 – Social Security -	1,110
101-51310-204 – State Retirement -	2,260
101-51310-205 – Employee Insurance -	4,428
101-51310-209 – Disability Insurance -	40
101-51310-212 – Employer Medicare -	260

Comm. Jordan moved, seconded by Comm. Peay to approve the budget amendment for the Human Resources Department as requested with \$25,971 from Account 101-39000, Unassigned Fund Balance; and \$17,873 to Account 101-51310-189, Other Salaries/Wages, \$1,110 to Account 101-51310-201, Social Security, \$2,260 to Account 101-51310-204, State Retirement, \$4,428 to Account 101-51310-205, Employee Insurance, \$40 to Account 101-51310-209, Disability Insurance, and \$260 to Account 101-51310-212, Employer Medicare. The motion passed unanimously by roll call vote with Comm. Jernigan being absent at that time.

REQUEST FROM SHERIFF'S DEPARTMENT TO UPGRADE TWO POSITIONS:

Chairman Ealy advised that Sheriff Arnold was requesting to upgrade positions 1450 and 1956 from pay grades 4, Civil Warrants Officers, to pay grades 5, which will require the positions to be certified officers. The positions will remain at pay grades 4 until the officers are certified.

Sheriff Arnold explained that civil process was a fee office. Currently, the officers who are doing the job could be off the street. They provide them with a uniform, give them a gun, and before they were given a patrol car, teaching them how to serve process and set an amount. He stated that over time one of the things he wanted to work on was that officers who wore a uniform, carried a gun and drove a marked car would have to go to the Police Academy to become certified officers. He stated that the officers would get the knowledge and experience that the academy provided, and currently those positions were pay grade 5. Currently, Civil Process is a pay grade 4. He advised that they have hired two new deputies in that division and they were already certified. There are two additional officers that will be going to the academy. After their training is complete, he would also like to make those two positions a pay grade 5 like the other certified officers, who have spent 10 weeks at the academy.

Currently, if one of these officers sees someone pulled over for some reason, they cannot stop and help if they are not a certified officer. If they go to a residence and something happens, they have to call for a certified officer to come help them deal with the situation.

By making the civil process officers certified, they will no longer have to call for a certified officer. They will be able to help the public just like a regular officer.

Sheriff Arnold also advised that he was looking to get the transport personnel certified as well. He stated that those officers transported inmates around the state and some around the country, up to the courthouse every day, and they drove a marked patrol vehicle. He stated there was some question about driving a marked unit and being an uncertified officer. He stated if his officers were going to be wearing a uniform and carrying a gun, he wanted them properly trained.

Sheriff Arnold stated that there were two different uniforms at the Sheriff's Department. The solid black uniform was for certified officers, and the light blue uniforms trimmed in black were for uncertified officers.

Comm. Peay asked why this request did not come through the Public Safety Committee.

The Finance Director stated that she intended to call Comm. Farley. She stated that this was within the Sheriff's budget and was also within the Sheriff's authority. She stated the reason why the request came directly to the Budget Committee was because the transition process was

still going on, Sheriff Arnold had individuals he wanted to hire, and people were being hired for the positions. She stated that she wanted the approval in the record, prior to people being hired.

Mayor Burgess stated it also helped during the budgeting process. He stated that all of the positions were specifically identified.

Sheriff Arnold stated that serving civil process was one of the constitutional duties of the sheriff.

Following discussion, Comm. Sandlin moved, seconded by Comm. Baum to approve the Sheriff's request to upgrade positions 1450 and 1956 from pay grade 4, Civil Warrants, to pay grade 5, which will require the positions to be certified officers. The positions are to remain pay grade 4 until the officers become certified. The motion passed by roll call vote with Comm. Peay voting "no"; and Comm. Jernigan being absent at that time.

Sheriff Arnold agreed to report this action at the next Public Safety Committee meeting.

INFORMATION TECHNOLOGY:

The Finance Director explained that the Information Technology Department issued a purchase order for office furniture at the end of the Fiscal Year ending June 30, 2010. At the end of the fiscal year there is a reserve of fund balance covering outstanding purchase order balances. Another purchase order was issued at the beginning of the current year to complete the purchase of the furniture. The vendor issued one invoice. From an accounting and auditing standpoint, it is not proper to have two purchase orders issued for the same project, with one purchase order being in the prior year and one purchase order being in the current fiscal year and only one invoice. She requested approval of the following budget amendment to properly record the expenditure. Approval of the amendment will close out the prior year purchase order taking the money from the Reserve for Encumbrances Account and placing it in the Unassigned Fund Balance, and then the money will be transferred from the Unassigned Fund Balance to the proper expenditure accounts:

From: 101-34120 – Reserve for Encumbrances -	\$12,612
To: 101-39000 – Unassigned Fund Balance -	\$12,612
From: 101-39000 – Unassigned Fund Balance -	\$12,612
101-52600-411 – Data Processing Supplies -	5,958
To: 101-52600-711 – Furniture & Fixtures -	\$18,570

Comm. Jordan moved, seconded by Comm. Shafer to approve the budget amendment for the Information Technology Department as requested with \$12,612 from Account 101-34120, Reserve for Encumbrances, to Account 101-39000, Unassigned Fund Balance; amending \$12,612 from Account 101-39000, Unassigned Fund Balance and \$5,958 from Account 101-52600-411, Data Processing Supplies, with \$18,570 to Account 101-52600-711, Furniture & Fixtures. The motion passed unanimously by roll call vote with Comm. Jernigan being absent at that time.

AMBULANCE SERVICE FUND BUDGET AMENDMENT:

Mayor Burgess advised that as the Ambulance Service vehicles have aged there have been more maintenance requirements than was budgeted. The following budget amendment was presented for approval:

From: 118-34730 – Assigned for Public Health & Welfare -	\$80,000
To: 118-55130-338 – Maint./Repair Vehicles -	\$80,000

Comm. Peay moved, seconded by Comm. Jordan to approve the budget amendment as presented with \$80,000 from Account 118-34730, Assigned for Public Health & Welfare, to Account 118-55130-338, Maintenance & Repair Vehicles.

Comm. Shafer advised that at the Public Safety Committee the amount was changed to \$40,000. He made an amendment to the motion to change the amount to \$40,000.

Comm. Peay changed his motion to approve the budget amendment to reflect the Public Safety Committee's action as follows:

From: 118-34730 – Assigned for Public Health & Welfare -	\$40,000
To: 118-55130-338 – Maint./Repair Vehicles -	\$40,000

The motion passed by roll call vote with Comm. Jernigan being absent and Comm. Jordan being out of the room at that time.

RESOLUTION TO RENEW \$10 MILLION 2008 GENERAL CAPITAL OUTLAY NOTES:

The Finance Director advised that in November 2008 a \$10 Million Capital Outlay Note was issued, which comes due April 1, 2011. The note is callable at January 1, 2011. She advised that this was the County's first venture in determining whether or not to enter into the variable rate market. The County started with \$10 Million, and then the next year another Capital Outlay Note was issued for \$21 Million. The intent was that \$31 Million would be a sufficient amount to enter the variable rate market, with the County issuing the debt through Rutherford County's PBA. She advised that things have changed since 2008, and the first \$10 million was coming due.

Mrs. Nolen advised it was being recommended that the issuance of interest bearing General Obligation Capital Notes be authorized not to exceed \$10 Million to renew the 2008 Capital Outlay Notes for two years. The notes would be callable on January 1, 2012. This would be at the same time that the \$21 Million also became callable. At that time, there will be a total of \$31 Million for the County to decide how it wants to proceed. She stated that if the economy in 2012 was the same as it was today, a bond issue would probably be authorized to replace the \$31 Million in Capital Outlay Notes.

Comm. Jordan asked what the interest rate was anticipated to be.

The Finance Director advised that for the \$10 Million now coming due, the interest rate was 2.7%. She stated that Mr. Crewse was anticipating an interest rate between 1% and 2%.

Mayor Burgess stated that long-term rates appear to be stable for the next 12 months.

Comm. Baum stated that he believed the rates would be stable for a little while, but in the long term there will be inflationary pressures. He stated that currently, the Federal Government is talking about deflation as much as inflation.

Comm. Sandlin asked what the cost of issuance would be.

The Finance Director stated that she would get that information.

Comm. Jordan moved, seconded by Comm. Sandlin to forward a Resolution to the County Commission authorizing the issuance of interest bearing General Obligation Capital Outlay Notes not to exceed \$10 Million to renew the 2008 General Obligation Capital Outlay Notes for two years with a callable date of January 1, 2012. The motion passed by roll call vote with Comm. Jernigan being absent at that time.

RECOMMENDATION TO ACCEPT OFFER FROM TENNESSEE DEPARTMENT OF TRANSPORTATION FOR EASEMENTS:

Mayor Burgess advised that the New Salem Highway (Highway 99) was going to be improved in front of the Sheriff's Department/Jail. The State of Tennessee has determined what damages they might do to the County's right-of-way and easement. He stated that the State was not taking any new property, but they will be placing equipment along the road making improvements, and

even coming on to the County's property making the improvements. The state has offered to pay \$36,200 for allowing them to use the County's property to make the road improvements.

Comm. Sandlin moved, seconded by Comm. Jordan to forward a Resolution to the County Commission authorizing the County Mayor to accept \$36,200 from the State of Tennessee, Department of Transportation for the purchase of a permanent easement for construction and maintenance of a drainage facility on State Route 99 in front of the Sheriff's Department. The motion passed unanimously by roll call vote.

PROPOSED 2011-2012 BUDGET CALENDAR:

A proposed 2011-2012 Budget Calendar was submitted for approval. The Budget Calendar calls for the 2012 Budget Overview to be given at the regular meeting on May 5. A meeting will be scheduled for June 2, 2011 to propose the budget for publication. The Public Hearing on the 2011-12 Budget will be scheduled for June 14. The County Commission meeting to adopt the budget will be Monday, June 27, 2011 at 9:00 A.M.

Comm. Peay moved, seconded by Comm. Sandlin to approve the 2011-12 Budget Calendar as proposed. The motion passed unanimously by acclamation.

OTHER BUSINESS

SCHOOL BOARD FIVE YEAR BUILDING PLAN:

Mr. Harry Gill, Director of Schools, and Mr. Jeff Sandvig, Assistant Superintendent, addressed the committee about the possible building projects through August 2015.

Mr. Gill advised that the Health & Education Committee had asked for a five-year building plan and this information was also being brought forward to the Budget Committee. He stated that historically they prepare a two-year building plan, which is generally very accurate. In preparing a five-year building plan there were too many variables and unknowns. Mr. Gill stated that in preparing the plan they began with the school year 2005-2006 using enrollment history for kindergarten through 5th grade. Over that span of time there was 2.87% growth. That percentage was used to project future enrollment. He stated that the last couple of years there had not been 2.87% growth. With a current enrollment of 15,376, the enrollment for kindergarten through 5th grades would grow to 17,712 by 2015-2016.

For 6th grade through 8th grade the average growth has been 2.84%. Based on this percentage, the enrollment would be 11,093 for grades six through eight by 2015-2016.

For grades nine through twelve, the average growth over the past five years has been 3.27%. This would generate an enrollment of 15,102 for grades nine through twelve.

For all grades the enrollment has grown from 32,655 from 2005-06 to the current enrollment of 37,878, which is an increase of 5,200 students.

For Fiscal Year 2011-12, the capital projects expected for Fund 177, Education Capital Projects, would be \$422,000 for Campus School renovation; \$200,000 for McFadden renovation; and \$1,678,000 for major capital repairs for a total of \$2,300,000.

For Fiscal Year 2012-13 the capital projects expected for Fund 177 would be \$679,575 for David Youree renovation and \$1,620,000 for major capital repairs for a total of \$2,299,575.

For Fiscal Year 2013-14 the following projects were projected: Stewarts Creek High School at a cost of \$49,976,500; Eagleville High addition at \$5,300,000; Smyrna Primary renovation at \$750,000; and major capital repairs at \$1,550,000 for a total of \$57,576,500.

For Fiscal Year 2014-15 the following projects were projected: La Vergne or Smyrna area Elementary at a cost of \$24,700,000; Eagleville High addition (Phase 2) for \$2,740,000;

La Vergne High and Smyrna High bleachers at a cost of \$1,000,000; and major capital repairs at \$1,300,000 for a total cost of \$29,740,000.

For Fiscal Year 2015-16 the estimated projects were: Elementary West of Murfreesboro at \$25,000,000; Smyrna area Middle School at \$30,807,000; Siegel High addition at \$4,083,000; and major capital repairs at \$2,300,000 for a total of \$62,190,000.

The Finance Director distributed copies of potential capital projects for the School Board and the county estimating when the borrowing would need to take place based upon the School Board's five-year building plan. It reflected that over the next five years, the potential borrowing could total \$225,820,544.

Mr. Gill stated that he understood that not everyone thought that money should be spent for bleachers at Smyrna and La Vergne High School. He stated that there was a real crisis with respect to safety and having enough restrooms. He stated that it might be possible to use the capital repair money in Fund 177 to provide the increased seats, restrooms, and concessions.

ADJOURNMENT:

Comm. Sandlin stated that the meeting with the state legislators would be held at the regular January Steering Committee meeting. He asked the members of the Budget Committee to be thinking of some topics that wanted discussed.

Mayor Burgess reported that the two suggested dates did not work, and that the meeting with the legislators would need to be scheduled for another date.

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:15 P.M.

Elaine Short, Secretary